

California Mental Health Services Authority
FINANCE COMMITTEE TELECONFERENCE
AGENDA

August 1, 2016
3:30 p.m. – 5:00 p.m.

Dial-in Number: 916-233-1968
Access Code: 3043



CalMHSa
3043 Gold Canal Drive, Suite 200
Rancho Cordova, CA 95670

Sonoma County
3322 Chanate Road
Santa Rosa, CA 95404

Riverside County
4095 County Circle Drive, MS #3790
Riverside, CA 92503

Colusa County
162 E. Carson Street, Suite A
Colusa, CA 95932

Kern County Mental Health
2001 28th Street
Bakersfield, CA 93301

Los Angeles County
550 S. Vermont Avenue, 10th Floor
Los Angeles, CA 90020

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Laura Li at (916) 859-4818 (telephone) or (916) 859-4805 (facsimile). Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Materials relating to an item on this agenda submitted to this Board after distribution of the agenda packet are available for public inspection at 3043 Gold Canal Drive, Suite 200, Rancho Cordova, CA, 95670, during normal business hours.

FINANCE COMMITTEE MEETING

1. CALL TO ORDER

2. ROLL CALL AND PUBLIC COMMENT INSTRUCTION

The Committee welcomes and encourages public participation in its meetings. This time is reserved for members of the public (including stakeholders) to address the Committee concerning matters on the agenda. Items not on the agenda are reserved for the end of the meeting. Comments will be limited to three minutes per person and 20 minutes total.

For agenda items, public comment will be invited at the time those items are addressed. Each interested party is to complete the Public Comment Card and provide it to CalMHSA staff prior to start of item. When it appears there are several members of the public wishing to address the Committee on a specific item, at the outset of the item, the Committee President may announce the maximum amount of time that will be allowed for presentation of testimony on that item. Comment cards will be retained as a matter of public record.

3. CONSENT CALENDAR..... 4

A. Routine Matters

- a. Minutes from the May 9, 2016 Finance Committee Teleconference

B. Reports/Correspondence

- a. Treasurers Report as of June 30, 2016
- b. Letter of Acknowledgement Matrix

Recommendation: Approval of the consent calendar.

4. CASH FLOW MANAGEMENT AS OF JUNE 30, 2016..... 14

A. Cash Balance as of June 30, 2016 15

B. Projected Cash Flow at June 30, 2016..... 16

Recommendation: For information and discussion.

5. UPDATE ONAPPLICATION FOR A BUSINESS LINE OF CREDIT FOR CALMHSA WITH CALIFORNIA BANK AND TRUST..... 17

Recommendation: None, discussion only.

6. CALMHSA ANNUAL REVENUE AND EXPENDITURE REPORT – ADOPTED BUDGET JUNE 30, 2017 – PROPOSED REVISION..... 18

Recommendation: Finance Committee recommends to the Board of Directors, PEI Statewide Projects contract reductions of \$1.2M, effective October 1, 2016. Specific recommendations for contract reductions and/or contract terminations totaling \$1.2M shall be presented for Board consideration at the August Board Meeting.

7. EXECUTIVE DIRECTOR FINANCE REPORT..... 27

- A. Strategic Development of 2016/2017 Revenue
- B. Drug Medi-Cal – Status
- C. Financial Modernization Pilot Program – Status
- D. Private Sector Feasibility Study
- E. Other Financial Matters

Recommendation: None, information only.

8. PUBLIC COMMENT

This time is reserved for members of the public to address the Committee relative to matters of CalMHSA not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to three minutes per person and twenty minutes in total. The Committee may also limit public comment time regarding agenda items, if necessary, due to a lengthy agenda.

9. CLOSING COMMENTS

10. CLOSED SESSION

A. CALL TO ORDER

B. ROLL CALL AND INTRODUCTIONS

C. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION - Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9.

D. Pursuant to section 54953 (c) (2), if action is taken, CalMHSA will publicly report the vote or abstention of each member present via the meeting minutes rather than announced orally. If no action is taken there will be no public report out.

E. No action required for this session.

11. ADJOURNMENT

Agenda Item 3

SUBJECT: CONSENT CALENDAR

ACTION FOR CONSIDERATION:

Approval of the Consent Calendar.

BACKGROUND AND STATUS:

The Consent Calendar consists of items that require approval or acceptance but are self-explanatory and require no discussion. If the Finance Committee would like to discuss any item listed, it may be pulled from the Consent Calendar.

A. Routine Matters

- a. Minutes from the May 9, 2016 Finance Committee Teleconference

B. Reports/Correspondence

- a. Treasurers Report as of June 30, 2016
b. Letter of Acknowledgement Matrix

FISCAL IMPACT:

None.

RECOMMENDATION:

Approval of the Consent Calendar.

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIALS ATTACHED:

- Minutes from the May 9, 2016 Finance Committee Teleconference
- Treasurers Report as of June 30, 2016
- Letter of Acknowledgement Matrix



CalMHSA Finance Committee

TELECONFERENCE MINUTES FROM MAY 9, 2016

Finance Committee Members

Present

- Dawan Utecht, CalMHSA Treasurer, Fresno County
- Dennis P. Koch, Madera County
- Dr. William Arroyo, Los Angeles County

Absent

- Terence M. Rooney, Colusa County
- Maureen Bauman, CalMHSA President (Ex-Officio)
- Michael Lucid, Sonoma County

CalMHSA Staff

- Wayne Clark, Executive Director
- John Chaquica, Chief Operating Officer
- Kim Santin, Finance Director
- Ann Collentine, Program Director
- Laura Li, JPA Administrative Manager

Public

- Bill Walker, Kern County
- Diane Lampe, CCESSA
- Melen Vue, NAMICA
- Mary Alice, Mendocino County

1. **Call to Order**

The CalMHSA Finance Committee teleconference was called to order at 3:02 p.m. on May 9, 2016 by Finance Committee Chair, Dawan Utecht, Fresno County.

2. **Roll Call and Public Comment Instructions**

JPA Administrative Manager Laura Li, CalMHSA, called roll and a quorum was established. All participants were asked to introduce themselves. Treasurer, Dawan Utecht, Fresno County, proceeded to review the public comment instructions, noting that items not on the agenda would be reserved for public comment at the end of the meeting.

3. **Consent Calendar**

Treasurer Utecht asked for any changes to the following items:

Routine Matters:

- Minutes from the March 28, 2016 Finance Committee Teleconference

Reports/Correspondence:

- Treasurers Report as of March 31, 2016

None were proposed.

Action: Approval of the consent calendar.

Motion: William Arroyo, Los Angeles County

Seconded: Dennis P. Koch, Madera County

Public comment was heard from the following individual(s):

None

4. **Cash Flow Management as of April 30, 2016**

Finance Director, Kim Santin, CalMHSA, gave an overview of the Cash Flow Management as of April, indicating cash flow is \$9.1 million for all programs. Expected \$6.5 million by June for Phase II FY 16-17 programs.

Action: For information and discussion.

Public comment was heard from the following individual(s):

None

5. **CalMHSA Financial Statement for Quarter Ending March 31, 2016**

Finance Director, Kim Santin, CalMHSA, gave an overview of the Financial Statement for the quarter which was distributed under separate cover. Balance sheet details \$10.2 million dollars at the end of the quarter. Executive Director, Wayne Clark, CalMHSA, mentioned funds are already projected to be spent, therefore CalMHSA does not have that much money for new programs.

Action: Approval of the CalMHSA Financial Statement for the Quarter ending March 31, 2016 for presentation at the next scheduled Board of Directors meeting.

Motioned: William Arroyo, Los Angeles County

Seconded: Dennis P. Koch, Madera County

Public comment was heard from the following individual(s):

None

6. **CalMHSA Annual Proposed Revenue and Expenditure Report – June 30, 2017**

Finance Committee Chair, Dawan Utecht, Fresno County, gave an overview of the proposed budget which was prepared with the direction of the March 28, 2016 Finance Committee meeting. Projected reserves for June 30, 2017 are \$1.6 million. Executive Director, Wayne Clark, CalMHSA, is working to find other funding options such as MHSAs funds and private sector funding.

Action: None, information only.

Public comment was heard from the following individual(s):

None

7. **Finance Committee Elections**

JPA Administrative Manager, Laura Li, CalMHSA, provided an overview of the proposed Finance Committee Elections indicating President Bauman had formally appointed Steve Steinberg, Riverside County, to the southern region vacancy. Steve Steinberg officially accepted and his term commences July 1, 2016.

Dennis Koch, Madera County, asked if the three identified regions were to be staggered amongst themselves as he understands it differently from the way it is presented. Laura Li indicated she would review the Bylaws and confirm with legal counsel, with a report back to the committee on outcomes.

Action: Discussion and consideration to continue audit contract with James Marta & Company.

Public comment was heard from the following individual(s):

None

8. **Finance Committee Teleconference Meeting Calendar for Fiscal Year 2016-2017**

Finance Director, Kim Santin, CalMHSA, provided an overview of the proposed calendar.

Action: Approval of the Proposed Finance Committee Teleconference Calendar for Fiscal Year 2016-2017

Motioned: William Arroyo, Los Angeles County

Seconded: Dennis P. Koch, Madera County

Public comment was heard from the following individual(s):

None

9. **CalMHSA Executive Director Finance Report**

Executive Director, Wayne Clark, CalMHSA, gave an overview of the following items.

- Strategic Development of 2016/2017 Revenue: Looking for funding through bonds.
- Drug Medi-Cal – Status: Meetings are held every other week
- Financial Modernization Pilot Program – Status: Counties require more information
- Private Sector Feasibility Study: Lots of no's for funding and a few yes's

Action: None, information only.

Public comment was heard from the following individual(s):

None

10. **General Public Comment**

This time is reserved for members of the public to address the Committee relative to matters of CalMHSA not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to three minutes per person and twenty minutes in total. The Committee may also limit public comment time regarding agenda items, if necessary, due to a lengthy agenda.

Public comment was heard from the following individual(s):

None

11. **Closing Comments**

Treasurer, Dawan Utecht, Fresno County, asked for any closing comments.

12. **Adjournment**

With no further comments, the meeting was adjourned at 3:38 p.m.



"A George Hills Company Administered JPA"

Treasurer's Report

As of June 30, 2016

	Book Balance	Market Value	Effective Yield
Local Agency Investment Fund	\$7,649,748	\$7,654,500	0.58%
Morgan Stanley – Money Trust	1,471	1,471	0.14%
Cash with California Bank & Trust	57,875	57,875	0.00%
Total Cash and Investments	\$7,709,094	\$7,713,846	0.57%

Attached are the Local Agency Investment Fund (LAIF) statements detailing all investment transactions.

The LAIF market value was derived by applying the June 2016 fair value factor of 1.000621222 to the book balance.

I certify that this report reflects all cash and investments and is in conformance with the Authority's Investment Policy. The investment program herein shown provides sufficient cash flow liquidity to meet the Authority's expenditures for the next six (6) months.

Respectfully submitted,

Accepted,

Kim Santin, Finance Director

William Walker, Treasurer

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp

May 19, 2016

CALIFORNIA MENTAL HEALTH SERVICES
 AUTHORITY
 STAFF
 3043 GOLD CANAL DRIVE, SUITE 200
 RANCHO CORDOVA, CA 95670

PMIA Average Monthly Yields

Account Number:

Tran Type Definitions

April 2016 Statement

Effective Date	Transaction Date	Tran Type	Tran Confirm Number	Authorized Caller	Amount
4/15/2016	4/15/2016	RW	1499806	KIM SANTIN	-1,150,000.00
4/15/2016	4/14/2016	QRD	1499352	SYSTEM	14,055.61

Account Summary

Total Deposit:	14,055.61	Beginning Balance:	10,185,692.35
Total Withdrawal:	-1,150,000.00	Ending Balance:	9,049,747.96

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp

June 07, 2016

CALIFORNIA MENTAL HEALTH SERVICES
 AUTHORITY
 STAFF
 3043 GOLD CANAL DRIVE, SUITE 200
 RANCHO CORDOVA, CA 95670

PMIA Average Monthly Yields

Account Number:

Tran Type Definitions

May 2016 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
5/18/2016	5/17/2016	RW	1502032	KIM SANTIN	-600,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	9,049,747.96
Total Withdrawal:	-600,000.00	Ending Balance:	8,449,747.96

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp

July 13, 2016

CALIFORNIA MENTAL HEALTH SERVICES
 AUTHORITY
 STAFF
 3043 GOLD CANAL DRIVE, SUITE 200
 RANCHO CORDOVA, CA 95670

PMIA Average Monthly Yields

Account Number:

Tran Type Definitions

June 2016 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
6/16/2016	6/16/2016	RW	1504064	KIM SANTIN	-800,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	8,449,747.96
Total Withdrawal:	-800,000.00	Ending Balance:	7,649,747.96

Letters of Acknowledgement

County	PHASE II FUNDING FY 15-16 LOA Rcvd & Funding Projected		Date Payment Received	PHASE II Funding Received FY 15-16	Emailed Past Due Invoice to BHD	FY 16-17 LOA Rcvd & Funding Projected (Phase II)		Date Payment Received	PHASE II Funding Received FY 16-17	Emailed invoice to BHD
	\$	%				\$	%			
Alameda County	\$ 342,215.00	3%	8/27/2015	\$ 342,216.00		\$ 290,883.00	3%	7/19/2016	\$ 290,883.00	7/1/2016
Alpine County						\$ 15,000.00	7%	7/26/2016	\$ 15,000.00	7/1/2016
*Amador County										
Butte County	\$ 25,000.00	6%	7/31/2015	\$ 25,000.00						
*Calaveras County										
City of Berkeley										
Colusa County	\$ 11,414.00		8/17/2015	\$ 11,414.00						
Contra Costa County										
Del Norte County										
El Dorado County	\$ 9,471.00	1%			5/4/2016	\$ 9,471.00	1%	7/26/2016	\$ 9,471.00	7/1/2016
Fresno County	\$ 455,864.00	7%	10/20/2015	\$ 455,864.00						
Glenn County	\$ 12,536.00	3%	5/27/2015	\$ 12,536.00		\$ 18,000.00	3%	5/27/2015	\$ 18,000.00	
Humboldt County	\$ 8,198.31				5/4/2016	\$ 8,198.31				7/1/2016
Imperial County	\$ 48,915.00	4%	9/10/2015	\$ 48,915.00		\$ 48,915.00	4%			7/1/2016
Inyo County										
Kern County	\$ 120,019.19	2%	9/25/2015	\$ 120,019.19		\$ 120,019.19	2%	9/25/2015	\$ 120,019.19	
Kings County	\$ 48,373.00	5%	7/21/2015	\$ 48,373.00		\$ 48,373.00	5%	5/12/2016	\$ 48,373.00	
Lake County	\$ 27,028.00	7%			5/4/2016					
Lassen County						\$ 11,000.00	4%			7/1/2016
Los Angeles County										
Madera County	\$ 15,200.00	2%	7/23/2015	\$12,200		\$ 15,000.00	2%			7/1/2016
Marin County	\$ 75,000.00	5%	11/10/2015	\$ 75,000.00		\$ 75,000.00	5%			7/1/2016
Mariposa County										
Mendocino County	\$ 7,180.00	1%	9/10/2015	\$ 7,180.00		\$ 8,625.00	1%			7/1/2016
*Merced County										
Modoc County	\$ 6,522.00	4%	9/28/2015	\$ 6,522.00		\$ 6,522.00	4%	7/19/2016	\$ 6,522.00	7/1/2016
Mono County										
Monterey County	\$ 252,000.00	7%	8/10/2015	\$ 252,000.00		\$ 252,000.00	7%			7/1/2016
Napa County	\$ 9,391.00	1%	9/14/2015	\$ 9,391.00		\$ 10,471.00	1%			7/1/2016
Nevada County	\$ 5,000.00	1%	10/14/2015	\$ 5,000.00		\$ 5,000.00	1%			7/1/2016
Orange County	\$ 900,000.00	4%	10/27/2015	\$ 900,000.00		\$ 900,000.00	4%	7/21/2016	\$ 900,000.00	7/1/2016
Placer County	\$ 162,000.00	6%	8/20/2015	\$ 162,000.00		\$ 162,000.00	6%	7/26/2016	\$ 162,000.00	7/1/2016
Plumas County	\$ 25,000.00	6%	10/5/2015	\$ 25,000.00		\$ 25,000.00	6%	6/3/2016	\$ 25,000.00	
Riverside County	\$ 516,058.00	4%	8/11/2015	\$ 516,058.00		\$ 526,379.00	4%	7/12/2016	\$ 526,379.00	7/1/2016
Sacramento County	\$ 342,486.00	3%	7/21/2015	\$ 342,486.00		\$ 320,325.00	3%			7/1/2016
San Benito County	\$ 25,000.00	5%	11/4/2015	\$ 25,000.00						
San Bernardino County	\$ 561,894.00	4%	9/22/2015	\$ 561,894.00		\$ 561,894.00	4%			7/1/2016
San Diego County	\$ 650,000.00	3%	11/4/2015	\$ 650,000.00		\$ 400,000.00	1%			7/1/2016
San Francisco City And County	\$ 100,000.00	2%	7/15/2015	\$ 100,000.00		\$ 100,000.00	2%			7/1/2016
San Joaquin County	\$ 174,662.54	4%	1/14/2016	\$ 174,662.54		\$ 174,662.54	4%			7/1/2016
San Luis Obispo County	\$ 67,308.00	4%	6/2/2016	\$ 67,308.00		\$ 67,308.00	4%			7/1/2016
San Mateo County	\$ 90,508.00	2%	10/06/2015	\$ 90,508.00		\$ 95,965.00	2%	7/22/2016	\$ 95,965.00	7/1/2016
Santa Barbara County						\$ 5,000.00	0.10%	7/15/2016	\$ 5,000.00	7/1/2016
Santa Clara County	\$ 400,000.00	4%	7/6/2016	\$ 400,000.00						
Santa Cruz County										
Shasta County	\$ 11,485.00	1%	10/12/2015	\$ 11,485.00		\$ 13,000.00	1%			7/1/2016
*Sierra County										
Siskiyou County										
Solano County	\$ 53,930.00	2%	8/11/2015	\$ 53,930.00		\$ 60,611.00	2%			7/1/2016
Sonoma County	\$ 109,000.00	4%	9/1/2015	\$ 109,000.00		\$ 109,200.00	2.78%			
Stanislaus County	\$ 90,000.00	1%	10/27/2015	\$ 90,000.00						
Sutter/Yuba County	\$ 39,185.00	4%	9/28/2015	\$ 39,185.00		\$ 39,185.00	4%	2/9/2016	\$ 39,185.00	
*Tehama County										
Tri-City Mental Health Center	\$ 14,852.00	1%	9/23/2015	\$ 14,852.00		\$ 15,181.00	1%	7/26/2016	\$ 7,590.50	7/1/2016
Trinity County	\$ 10,000.00	4%	10/2/2015	\$ 10,000.00		\$ 10,000.00	4%			7/1/2016
Tulare County	\$ 31,443.17	1%	4/27/2015	\$ 31,443.17		\$ 31,443.17	1%	4/24/2015	\$ 31,443.17	
Tuolumne County	\$ 16,715.00	5%	5/20/2015	\$ 16,715.00		\$ 16,715.00	5%	5/20/2015	\$ 16,715.00	
Ventura County	\$ 52,500.00	1%	11/9/2015	\$ 52,500.00		\$ 53,500.00	1%			7/1/2016
Yolo County	\$ 35,000.00	2.2%			5/4/2016	\$ 35,000.00	2.2%			7/1/2016
TOTAL	\$ 5,958,353.21	3%		\$ 5,875,656.90		\$ 4,664,846.21	3%		\$ 2,317,545.86	
Balance Due				\$ 82,696.31					\$ 2,347,300.35	

KEYS
BLUE = PHASE I FY 14-15
GREEN = PHASE II FY 15-16
PURPLE = PHASE II FY 16-17
ORANGE = HAS IDENTIFIED FUNDING FOR SPECIFIC PROGRAM
RED = VERBAL COMMITMENT

Agenda Item 4

SUBJECT: CASH FLOW MANAGEMENT AS OF JUNE 30, 2016

ACTION FOR CONSIDERATION:

For Information and discussion.

BACKGROUND AND STATUS:

Historically, CalMHSA has held adequate balances of cash and investments. Cash balances are decreasing as we payout on the contract obligations. After the June cash disbursements, our cash balance is \$7.7 million. CalMHSA has currently received \$5.8 million for Phase II. Cash Management is now a priority for CalMHSA, therefore becoming a regular item in the agenda.

We received 98.61% of the Phase II Fiscal Year 2015-2016 LOA funding from counties by June 30, 2016.

FISCAL IMPACT:

None.

RECOMMENDATION:

For Information and discussion.

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIAL ATTACHED:

- Cash Balance as of June 30, 2016
- Projected Cash Flow as of June 30, 2016

CalMHSA
Cash Balance
As of June 30, 2016

Cash Balance, 6/30/2015	14,215,412.33
Cash Received 07/01/15 to 06/30/2016	9,004,217.24
Cash Payments 07/01/2015 to 06/30/2016	(15,510,535.87)
Cash Balance, 6/30/2016	<u><u>7,709,093.70</u></u>

Cash Balance by Institution	
California Bank & Trust	57,874.81
Morgan Stanley Smith Barney	1,470.93
Local Agency Investment Fund	7,649,747.96
Cash Total 04/30/2016	7,709,093.70

California Mental Health Services Authority
Projected Cash Flow
As of June 30, 2016

	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Totals
Beginning Cash Balance	14,945,895	14,233,959	14,762,506	14,884,056	14,189,713	13,164,503	11,294,237	10,231,709	9,133,129	9,093,503	14,945,895
Cash Receipts:											
Phase I - Sustainability	128,218	121,605									249,823
Phase II -1- Sustainability	909,532	1,587,857	802,500		174,663					74,734	3,549,286
Phase II-2 - Sustainability	120,019					39,185			52,880	25,000	237,084
Suicide Prevention Hotline 15-16	55,000										55,000
Suicide Prevention Hotline 16-17									483,028		483,028
State Hospital Beds	7,010	104,449	4,206	11,216		5,608	177,353		84,120	4,206	398,168
SD3 - Feasibility Study											-
Application Fees	500			250							750
Other (LAIF Interest, etc.)		11,659	4,678	9,000	13,380	20,100		14,056	12,500		85,372
Total Cash Receipts	1,220,279	1,825,570	811,384	20,466	188,042	64,893	177,353	14,056	632,528	103,940	5,058,510
Cash Expenses:											
PEI/Phase I Obligations 2014/15	1,488,858	956,445	249,585	229,859	509,819	1,151,223	370,403	490,785	-	175,988	5,622,964
Phase II Board Approved Funding 2015/16	123,600	56,227	116,423	249,301	389,325	538,947	574,536	224,494	421,346	905,528	3,599,727
Suicide Prevention Hotline	85,948	35,398		37,079	66,230	39,039	48,250	63,149	38,979	40,385	454,458
Plumas Wellness Center			95,000		8,800	142		95,000		95,000	293,942
Community Response Plan						1,500		1,875	4,936	5,087	13,397
TTACB Contract	176				6,336						6,512
State Hospital Beds					22,067	72		22,067			44,206
Short Doyle Fiscal Pilot	20,000	2,975	2,975		1,488		2,380	5,259	1,275	50,000	86,352
Drug Medi-Cal									1,328		1,328
PNWE								116	213		329
Orange County									6,278	1,485	7,763
Administrative Expenses	213,633	245,978	225,851	198,569	209,188	204,237	244,313	209,890	197,800	214,877	2,164,336
Total Cash Expenses	1,932,215	1,297,023	689,834	714,809	1,213,252	1,935,159	1,239,881	1,112,636	672,154	1,488,349	12,295,312
Ending Cash Balance	14,233,959	14,762,506	14,884,056	14,189,713	13,164,503	11,294,237	10,231,709	9,133,129	9,093,503	7,709,094	7,709,094

Agenda Item 5

SUBJECT: Update on Application for a Business Line of Credit for CalMHSA with California Bank and Trust

ACTION FOR CONSIDERATION:

Staff to update the Finance Committee on the submission of the application for Business Line of Credit to California Bank and Trust as an exploratory option.

BACKGROUND AND STATUS:

CalMHSA is in the process of closing out the original PEI programs and programs for 2015/16 fiscal year and as a result our cash balances have decreased as projected. CalMHSA's budget will continue to be funded by the county's on a fiscal year basis, but now without cash reserves to cover late payments. Historically, some of these collections can extend as long as six months, or further. As such, staff received Board approval to submit an application for a business line of credit for times whereas there maybe a cash shortfall. An unsecured business line of credit will provide CalMHSA access to funds – if needed.

The application has been submitted to the bank with a maximum request of \$750,000. This exploratory process will allow the Finance Committee and Officers the opportunity to discern whether it is a viable option or not.

If the bank approves the line of credit the Finance Committee and Officers will determine if this is a viable option, it will be presented at the next Board of Directors meeting for consideration and approval. Per Section 4.1.3.2, of the Bylaws reserves to the Board the following authority: "Approve indebtedness (two-thirds vote of the entire Board.)"

FISCAL IMPACT:

Fee for utilization of the credit line would be a competitive rate agreed to with California Bank & Trust. In addition, there would be interest charged at market interest rate for the time the Line of Credit funding is used.

RECOMMENDATION:

None, discussion only.

TYPE OF VOTE REQUIRED:

Two thirds vote of the Board of Directors

REFERENCE MATERIAL(S) ATTACHED:

- None

Agenda Item 6

SUBJECT: CALMHSA ANNUAL REVENUE AND EXPENDITURE REPORT – BUDGET JUNE 30, 2017 – PROPOSED REVISION

ACTION FOR CONSIDERATION:

Finance Committee to discuss and/or recommend to the Board of Directors, PEI Statewide Project reductions of \$1.2 million, effective October 1, 2016. Specific recommendations for contract reductions and/or contract terminations totaling \$1.2 million to be vetted by the Sustainability Task Force and prepared for Board Consideration at the August Board Meeting.

BACKGROUND AND STATUS:

The CalMHSA Board of Directors adopted the CalMHSA 16/17 budget at their June 2016 meeting. However, since adopting the budget there remains to be some unknown variables in the Revenue Projections included in the budget. The budgeted revenue is on page 3 of the Adopted budget document.

Implementation of the Phase 2 (FY 15/16 and 16/17) Statewide PEI Programs began on July 1, 2015. Based on Board authorization, CalMHSA executed contracts with 10 program partners, for a sum of \$11.4 million for the Phase 2 Statewide PEI Programs. Current funding for Phase 2 Statewide PEI Programs is based on county contributions. Despite many efforts, CalMHSA has not been able to secure other non-county sources of funding to support the Phase 2 Statewide PEI Programs. As a result, staff is recommending a reduction in contracts for Phase 2. Potential sources of funding listed below may bolster the Phase 2 Statewide PEI Programs in the near future but at this time, the funding is not secure. CalMHSA is at a critical junction to enact some program reductions for FY 16/17 in order to continue the implementation of a streamlined version of Statewide PEI Programs until other sources of funding are confirmed. If additional funding cannot be confirmed, CalMHSA may have to consider further funding reductions in Spring 2017.

CalMHSA staff believes reducing current budgets by \$1.2 million strikes a balance between the current funding shortfall and the potential for increased funding should these funding opportunities solidify. CalMHSA has explored many avenues of potential funding that could directly or indirectly support the implementation of Statewide PEI Programs.

The unknown variables are:

1. Status of Program Contracts as of June 30, 2016. Staff is in the process of reviewing the incoming invoices and reviewing the completion of scope of work for the first half of the contract term.

2. Final Letter of Acknowledgement (LOA) amount expected. We initially estimated the LOA to be same as last year, but we have had some members submit LOA's less than last year, and we are still waiting for commitments from members we had last year that have not submitted for this year. CalMHSA Executive Director is conducting follow up with members.
3. Los Angeles PEI Program: CalMHSA staff is working with LA County to discuss PEI projects that CalMHSA can do on behalf of the county. LA County may contribute funding between \$1.5 and \$2 million to CalMHSA to implement programs. If confirmed, funds are expected to be transferred to CalMHSA in the fall of 2016 for program implementation.
4. AB 2017 designates CalMHSA as the administrative entity to implement higher education prevention and early intervention programs.
5. Statewide Suicide Prevention Hotlines: In the adopted budget, \$4 million was allocated to support the Statewide Suicide Prevention Hotlines. CalMHSA is currently in discussions with the DHCS to determine if CalMHSA would be a viable entity to administer these funds.

RECOMMENDATION:

Finance Committee recommends to the Board of Directors, PEI Statewide Projects contract reductions of \$1.2M, effective October 1, 2016. Specific recommendations for contract reductions and/or contract terminations totaling \$1.2M shall be presented for Board consideration at the August Board Meeting.

TYPICAL OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIALS ATTACHED:

- CalMHSA Annual Revenue and Expenditure Report – Adopted Budget for June 30, 2017.

Annual Revenue and Expenditure Report – Adopted Budget June 30, 2017



- Budget Narrative & Notes
- Adopted Budget – June 30, 2017

Budget Narrative & Notes

Budget Background Notes – Executive Director

CalMHSA Board members directed staff to prepare the Fiscal Year 2016-2017 budget to reflect CalMHSA continued operations at its lowest level without causing CalMHSA to shut down. Revenue projections are based upon current estimate of funds to be received and program administrative requirements are based on size and source of funds expected for each revenue stream. Staff have developed a bare bones budget, considering the minimal levels of staffing necessary, as compared to the level of effort to meet members' expectations and strategic plans as expressed at the planning session. Members were quite clear CalMHSA should continue to be a "go to" organization, with a foundational base of funding which allows CalMHSA to be able to respond to new requests while meeting current obligations. With that direction, staff is presenting a living and breathing organization budget that has sufficient back office support and front office knowledge to be responsive, and sustain current and future CalMHSA programs. We have reduced the program support and trimmed administrative expenses by one FTE. While this may appear small, it is significant since most of CalMHSA program staff are not solely dedicated to one project and funding stream. For instance, the Plumas county project requires the effort of several staff but nobody devoted full time, keeping a foundational base means we cut portions of staff allocated efforts from say .20 to .10, which can accumulate to the FTE reductions presented here. Another key element in our budgeting is the efficiency derived from our partnership with George Hills where most administrative (human resources, information technology, and fiscal) staff are shared, so when cutting portions of an accountants time we can have these employee work on other George Hills contracts.

A. Budget Assumptions and Criteria Applied

1. This budget has been compiled based on the minimum program and administration needed to run the organization and manage the activities requested. This was determined through an FTE analysis.
2. Efficiency recognized for job sharing of CalMHSA staff with other George Hills Contracts. CalMHSA has 6 Full time dedicated staff and an additional 4.9 positions are shared between CalMHSA and other George Hills contracts.
3. Managing the programs requested and building in the member's expectations of having the staff expertise to research potential projects for CalMHSA.
4. Member relations is critical and recognizing that the membership is large/vast/varying and evolving, and requires staff resources to succeed in this relationship.
5. Effort in working with associated agencies CBHDA, CIBHS, OAC, and DHCS.
6. Compliance with statutory requirements of the MHSA, government code, JPA Agreement, and Bylaws.
7. Resources for Fund Raising to continue with the work we do to break down the stigma and connect people to mental health support.
8. Meeting member's request in CalMHSA being efficient to assist in regional or joint member projects.
9. The budget attempts to acknowledge slow payment, reduced contracts, and noncontributing members.
10. Base staffing for research and development.

B. Revenue

	Total
Letters of Acknowledgement Contributions	\$6,000,000
Statewide Hospital Beds	\$652,252
Suicide Prevention – Regional Programs	\$6,625,000
Other Contracts	\$38,940
Total estimated deposits as of June 30, 2017	<u>\$13,316,192</u>

1. Letters of Acknowledgement Contributions FY 16-17 – Letters of Acknowledgement of \$6 million were received in prior fiscal year and the same level of contribution has been estimated for the current year. The target set four years ago of 4%-7% is \$10.4 million – \$18.2 million. 1% would have been \$2.6 million.
2. State Hospital Bed contributions are based on the participation agreements of counties in the program.
3. Contributions by Counties for Regional Suicide prevention activities and other statewide projects. Revenue of \$1,937,000 has been allocated to prevention statewide activities.

C. Expenditures

Program Service Expenditures

Program Partners and Program Contracts	\$11,365,500
Program Management and Oversight	1,874,995
Program Legal Expenses	10,500
Program Travel & Meetings	<u>10,000</u>
	<u>\$13,260,995</u>

TTACB, State Hospital Beds, and Feasibility Study Program Expenses have been estimated by participation agreements.

General and Administrative Expenses

1. General and Administrative Staffing – Staffing services to manage the general and fiscal operations of CalMHSA.
2. Legal Expenses – CalMHSA has retained legal services to provide counsel to the board and support of the governing documents and contracts.
3. Travel and Meeting Expenses – CalMHSA is governed by a Board of Directors and has established standing committees and must comply with the Brown Act to conduct public meetings for JPA business.
4. Other Contracts – CalMHSA has entered into contracts for general information dissemination and information technology.
5. Insurance – CalMHSA procures its general liability insurance from CSAC-EIA on a policy term of July 1 to June 30.

D. Additional Budget Notes

1. Staff has not included budget estimates for the following current prospective activities the Executive Director is engaged in:
 - a. Grants
 - b. County Contracts
 - c. Foundations
 - d. State Funding
 - e. Private Funding

2. The budget variables in the document are:
 - a. Available Cash – County Commitments versus collections and timing thereof
 - b. Or new prospective activities and programs
 - c. Funds Available to contract with Program Partners
 - d. Potential Financial costs for delay in cash collections

Adopted Budget - June 30, 2017

California Mental Health Services Authority Annual Revenue and Expenditure Report - Adopted Budget June 30, 2017			
	Approved Budget 2015/16	Current Year 2015/16 Projected Actuals	Adopted Budget 2016/2017
Revenue to CalMHSa 2016/2017			
County Contributions			
Letters of Acknowledgement	4,820,775	5,966,399	6,000,000
State Hospital Beds	438,642	889,385	652,252
Suicide Prevention - Regional Programs		627,642	6,625,000
Plumas County Wellness	1,000,000	1,000,000	
Other Contracts		29,000	38,940
Admin Fees		250	
Total Revenue to CalMHSa	6,259,417	8,512,676	13,316,192
Expenditures			
Total Program Expenditure	8,724,737	13,734,098	13,260,995
WET Program Expenditures			148,470
TTACB Contract	120,000	500	140,000
State Hospital Beds	438,422	100,000	438,422
Feasibility Study	210,527	60,000	-
Total Program Services Expenditures	9,493,686	13,894,598	13,987,887
General And Administration			
General & Administration Staffing	322,407	322,405	305,510
Legal	21,500	22,000	10,000
Travel & Meetings	17,000	26,000	20,000
Other Contracts	102,000	68,000	
Insurance	35,000	29,203	30,000
Financial Audit	25,000	15,000	15,000
Total General And Administration Expenditures	522,907	482,608	380,510
Total Expenditures	10,016,593	14,377,206	14,368,397
Net Increase/(Decrease) Unexpended Funds	(3,757,176)	(5,864,530)	(1,052,205)
Total Obligated Funds Carried Over from Prior Fiscal Years	6,478,561	8,600,000	2,735,470
Projected Reserves at the Fiscal Year Ended June 30, 2017	2,721,385	2,735,470	1,683,265

California Mental Health Services Authority
Annual Revenue and Expenditure Report - Adopted Budget
June 30, 2017

	Operations	Research and Development	Tech Asst/Capacity Building	Wet Program Funding	Feasibility Study Funding	State Hospital Bed Funding	Plumas Wellnes Center	Suicide Prevention - Regional Program	PEI Programs	Drug Medical	Total
Revenue to CalMHSA 2016/2017	-		-	-	-				-		-
County Contributions						652,252		6,625,000	6,000,000		13,277,252
Funds provided for PEI								(1,937,000)	1,937,000		-
Admin Fees										38,940	38,940
Total Revenue to CalMHSA 2016/17	-	-	-	-	-	652,252	-	4,688,000	7,937,000	38,940	13,316,192
Expenditures											
Program Services Expenditures											
PEI Statewide Program Services											
Program Contracts					36,500		425,000	3,915,000	6,989,000	-	11,365,500
Program Management & Oversight Staffing	537,139	171,725	49,920	-	89,856	175,718	63,898	199,680	557,107	29,952	1,874,995
Subtotal Program Services	537,139	171,725	49,920	-	126,356	175,718	488,898	4,114,680	7,546,107	29,952	13,240,495
Other Contracts											
Legal					500	5,000			5,000		10,500
Evaluation											-
Travel & Meetings						5,000			2,000	3,000	10,000
Total Program Expenditure	537,139	171,725	49,920	-	126,856	185,718	488,898	4,114,680	7,553,107	32,952	13,260,995
WET Program Expenditures				148,470							148,470
TTACB Contract			140,000								140,000
State Hospital Beds						438,422					438,422
Feasibility Study											-
Total Program Services Expenditures	537,139	171,725	189,920	148,470	126,856	624,140	488,898	4,114,680	7,553,107	32,952	13,987,887
General And Administrative Expenses											
General & Administrative Staffing	87,521	27,981	8,134	-	14,641	28,631	10,411	32,536	90,775	4,880	305,510
Legal	10,000										10,000
Travel & Meetings	20,000										20,000
Other Contracts											-
Insurance	30,000										30,000
Financial Audit	15,000										15,000
Total General And Administravive Expenditures	162,521	27,981	8,134	-	14,641	28,631	10,411	32,536	90,775	4,880	380,510
Total Expenditures	699,660	199,706	198,054	148,470	141,497	652,771	499,309	4,147,216	7,643,882	37,832	14,368,397
Net Increase/(Decrease) Unexpended Funds	(699,660)	(199,706)	(198,054)	(148,470)	(141,497)	(519)	(499,309)	540,784	293,118	1,108	(1,052,205)
Total Obligated Funds Carried Over from Prior Fiscal Years	600,000		200,000	148,470	137,000	1,100,000	500,000		50,000		2,735,470
Projected Reserves at the Fiscal Year Ended June 30, 2017	(99,660)	(199,706)	1,946	-	(4,497)	1,099,481	691	540,784	343,118	1,108	1,683,265

CalMHSA Contract

2016/2017 Program FTE

Department/Position	Prior Year Mid Level 15-16 FTE	Recommended 16-17 FTE	Operations	Research and Development	Tech Asst/ Capacity Building	WET program	Feasibility Study /Capitation Plan	State Hospital Bed Funding	Plumas Wellnes Center	Suicide Prevention - Regional Programs	PEI Programs	Drug Medical	Total Percentage
<i>Administrative Services</i>	2.96	4.04	1.03	0.37	0.03	-	0.23	0.75	0.04	0.55	0.98	0.06	4.04
<i>Program Services</i>	6.38	4.76	0.95	0.30	0.15	-	0.15	-	0.21	0.60	2.36	0.04	4.76
<i>Financial Services</i>	2.56	2.12	0.71	0.19	0.07	0.00	0.07	0.13	0.07	0.38	0.45	0.05	2.12
Total FTE	11.90	10.92	2.69	0.86	0.25	0.00	0.45	0.88	0.32	1.53	3.79	0.15	10.92

Agenda Item 7

SUBJECT: EXECUTIVE DIRECTOR FINANCE REPORT

ACTION FOR CONSIDERATION:

None, Information only.

BACKGROUND AND STATUS:

CalMHSA Executive Director, Wayne Clark, will report on CalMHSA finance topics. The following topics may be discussed:

- Strategic Development of 2016/2017 Revenue
- Drug Medi-Cal – Status
- Financial Modernization Pilot Program – Status
- Private Sector Feasibility Study
- Other Financial Matters

FISCAL IMPACT:

None.

RECOMMENDATION:

None, Information only.

TYPE OF VOTE REQUIRED:

Majority vote.

REFERENCE MATERIAL(S) ATTACHED:

- None.